

SENATE BILL No. 396

DIGEST OF INTRODUCED BILL

Citations Affected: IC 16-18-2-173; IC 16-27-1-7; IC 16-28.

Synopsis: Informal dispute resolution for nursing homes. Prohibits inspectors of nursing homes from belonging to a trade association of licensed health care facilities. Requires the state department of health to contract with an independent organization to operate informal dispute resolution for nursing homes and home health agencies. Requires the interdisciplinary team employed by the independent organization to consist of individuals with specific job experience. Prohibits members of the interdisciplinary team and the individual's family from having financial interests in or being employed by nursing homes or home health agencies. Raises the health facility licensing fee for additional beds in excess of 50 to \$3.50 per bed and raises the home health agency annual licensing fee to \$300. Creates the informal dispute resolution for health facilities and home health agencies fund.

Effective: July 1, 2003.

Miller

January 16, 2003, read first time and referred to Committee on Health and Provider Services.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

SENATE BILL No. 396

A BILL FOR AN ACT to amend the Indiana Code concerning health and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 16-18-2-173 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 173. (a) "Home health
3 agency", for purposes of IC 16-27-1, has the meaning set forth in
4 IC 16-27-1-2.

5 (b) "Home health agency", for purposes of IC 16-27-2, has the
6 meaning set forth in IC 16-27-2-2.

7 **(c) "Home health agency", for purposes of IC 16-28-12, has the**
8 **meaning set forth in IC 16-27-1-2.**

9 SECTION 2. IC 16-27-1-7 IS AMENDED TO READ AS
10 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The state department
11 shall adopt rules under IC 4-22-2 to do the following:

- 12 (1) Protect the health, safety, and welfare of patients.
13 (2) Govern the qualifications of applicants for licenses.
14 (3) Govern the operating policies, supervision, and maintenance
15 of service records of home health agencies.
16 (4) Govern the procedure for issuing, renewing, denying, or
17 revoking an annual license to a home health agency, including the



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following:

(A) The form and content of the license.

(B) The collection of an annual license fee of ~~not more than two three~~ hundred dollars (~~\$200~~) **that the state department may waive: (\$300).**

(5) Exempt persons who do not provide home health services under this chapter.

SECTION 3. IC 16-28-1-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 13. (a) Licensure inspections of health facilities shall be made regularly in accordance with rules adopted under this chapter. The division shall make all health and sanitation inspections. The office of the state fire marshal or the fire marshal's authorized agents shall make all fire safety inspections. The council or the director may provide for other inspections necessary to carry out this chapter.

(b) The exact date of an inspection of a health facility under this chapter may not be announced or communicated directly or indirectly to the owner, administrator, or an employee of the facility before the inspection. An employee of the state department who knowingly or intentionally informs a health facility of the exact date of an inspection shall be suspended without pay for five (5) days for a first offense and shall be dismissed for a subsequent offense.

(c) Reports of all inspections must be:

(1) in writing; and

(2) sent to the health facility.

(d) The report of an inspection and records relating to the inspection may not be released to the public until the conditions set forth in IC 16-19-3-25 are satisfied.

(e) An employee of the state department who participates in any aspect of a licensure inspection of a health facility may not be a member of a trade association of licensed health care facilities.

SECTION 4. IC 16-28-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 7. The fee for a license as a health facility under this chapter is one hundred dollars (\$100) for the first fifty (50) beds available and ~~two three~~ dollars and fifty cents (~~\$2.50~~) **(\$3.50)** for each additional bed available.

SECTION 5. IC 16-28-12-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: **Sec. 0.5. As used in this chapter, "home health agency" has the meaning set forth in IC 16-27-1-2.**

SECTION 6. IC 16-28-12-5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY

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1, 2003]: Sec. 5. (a) The state department shall contract with an independent organization to operate the informal dispute resolution process required by 42 CFR 488.331 for health facilities and home health agencies.

(b) The independent organization contracted by the state department under subsection (a) shall employ or contract with an interdisciplinary team consisting of at least one (1) of the following individuals:

(1) Registered nurse.

(2) Social worker.

(3) Dietician.

(4) Licensed administrator.

(c) A member of the interdisciplinary team employed or contracted under subsection (b) must:

(1) be knowledgeable about health facility operation;

(2) receive training regarding:

(A) federal survey and certification; and

(B) state licensure requirements.

(d) A member of the interdisciplinary team employed or contracted under subsection (b) may not:

(1) have a financial interest in a:

(A) health facility; or

(B) home health agency;

(2) have an immediate family member who has a financial interest in a:

(A) health facility; or

(B) home health agency;

(3) be employed or have been employed by a:

(A) health facility;

(B) home health agency;

(C) corporation that owns a health facility or a home health agency; or

(D) corporation that manages a health facility or a home health agency;

within the last two (2) years; or

(4) have an immediate family member who is employed or has been employed by a:

(A) health facility;

(B) home health agency;

(C) corporation that owns a health facility or a home health agency; or

(D) corporation that manages a health facility or a home



1 health agency;
2 within the last two (2) years.

3 SECTION 7. IC 16-28-12-6 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2003]: Sec. 6. (a) The informal dispute resolution for health
6 facilities and home health agencies fund is established for the
7 purpose of receiving registration fees and administering the
8 dispute resolution process under section 5 of this chapter.

9 (b) The fund shall be administered by the state department.

10 (c) The fund consists of two hundred dollars (\$200) from the
11 three hundred dollar (\$300) annual fee imposed on each home
12 health agency under IC 16-27-1-7(4) and one dollar (\$1) from the
13 fee imposed on each additional available bed registration under
14 IC 16-28-2-7.

15 (d) The expense of administering the fund shall be paid from
16 money in the fund.

17 (e) The treasurer of the state shall invest the money in the fund
18 not currently needed to meet the obligations of the fund in the same
19 manner as other public money may be invested.

20 (f) Money in the fund at the end of a state fiscal year does not
21 revert to the state general fund.

22 (g) Money in the fund is continually appropriated to the state
23 department for the purpose described in subsection (a).

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